



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
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"To Enrich Lives Through Effective And Caring Service"

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November 18, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 November 18, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**AMENDMENT NO. 1 TO LEASE NO. 45118
FIRE DEPARTMENT
19030 PIONEER BOULEVARD, CERRITOS
(FOURTH DISTRICT)
(3 VOTES)**

SUBJECT

A fifteen-year lease amendment for the Fire Department to provide continued use of Fire Station 30 premises comprised of a 10,575 square foot facility and 13 parking spaces.

IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY:

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chairman to sign the fifteen-year lease amendment with the City of Cerritos (Lessor) for the Fire Department to continue to occupy the premises and operate a 10,575 square foot Fire Station with 13 parking spaces located at 19030 Pioneer Boulevard, Cerritos, at a rental cost of \$1 per annum. The program costs are 100 percent net County cost. The lease amendment will commence upon approval by the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 26, 1983, the City of Cerritos (City), the Cerritos Community Redevelopment Agency (CRA), and the Consolidated Fire Protection District of Los Angeles County adopted an agreement to have the CRA construct Fire Station 30, to provide a replacement facility for a former station, on CRA land. The 30-year lease was effective as of July 1, 1984, upon completion of the 10,575 square foot facility, known as Fire Station 30, which was constructed by the City and CRA. On June 8, 2011, the title to the property transferred from the CRA to the City, the current lessor. The current lease expired June 30, 2014, and the County is occupying the premises on a month-to-month holdover basis until the proposed 15-year agreement is adopted. The Fire Department (Fire) provides fire prevention, suppression, and emergency medical services to the public in the Cities of Cerritos and Artesia. Fire Station 30 houses 11 firefighting personnel, 5 fire prevention personnel, and 3 staff.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Integrated Services Delivery (Goal 3) directs that we maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services. The proposed lease amendment supports this goal by providing continued Fire Life Safety services to residents of Cerritos and Artesia. The lease is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease will provide the County continued use of the Fire Station facility comprised of 10,575 square feet and 13 parking spaces for an annual rent of \$1 for 15 years. Fire is responsible for all repairs and maintenance to the facility. This is a net lease whereby the County is responsible for all operating and maintenance costs associated with the County's occupancy.

Sufficient funding for the proposed lease costs is included in the Fiscal Year (FY) 2014-15 Rent Expense budget and will be billed back to Fire. Fire has sufficient funding in its FY 2014-15 operating budget to cover the projected lease costs. Attachment B is an overview of the lease costs associated with the lease amendment.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment will provide continued use of a 10,575 square foot Fire Station facility and 13 parking spaces. The proposed lease amendment contains the following provisions:

- A fifteen-year lease amendment commencing upon approval by the Board.
- A net lease whereby the County is responsible for the operational and maintenance costs of the facility.

- Three five-year options to renew the lease.
- A cancellation provision whereby the landlord can terminate the lease should Fire services cease.

The Chief Executive Office (CEO), Real Estate staff conducted a survey within the service area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the survey area that could suitably accommodate this requirement more economically, nor are there any County-owned or leased facilities available for this program. Based upon said survey, staff has established that the rental range for similar space is between \$5.40 and \$11.64 per square foot per year on a net basis. Thus, the base annual rental rate of \$1 per annum is virtually on a gratis basis for the proposed lease, including parking, and represents a rate well below the market range for the area. Attachment C shows County-owned or leased facilities available for the program.

The Department of Public Works did not inspect this facility, as it was built in 1984 in a manner suitable for County occupancy. CEO policy exempts buildings constructed under the provisions of the 1976 Uniform Building Code or later, from seismic evaluation. The facility was constructed in compliance with Uniform Building Codes and Safety standards of said time by CRA, and built in compliance with the Americans with Disabilities Act. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

A child care center is not feasible for the department in the proposed leased premises.

The City has requested that the amendment be executed by the County first.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary space for this County requirement, and Fire concurs with the recommendation.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return three originals of the executed lease amendment, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WTF', followed by a large, stylized flourish that resembles a heart or a large 'M' shape, and a long horizontal line extending to the right.

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:CMM
CEM:RL:FC:gw

Enclosures

c: Executive Office, Board of Supervisors
Auditor-Controller
County Counsel
Fire

FIRE DEPARTMENT
19030 PIONEER BOULEVARD, CERRITOS
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ²			X
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft. of space per person? ² This is a FIRE Station.			X
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program? 100% NCC	X		
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment C?	X		
G	Was build-to-suit or capital project considered? Built as a Fire Station			X
3.	<u>Portfolio Management</u>			
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?			X
D	Why was this program not co-located?			X
	1. ___ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. ___ No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. ___ The Program is being co-located.			
E	Is lease a full service lease? ²		X	
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?			X
¹ As approved by the Board of Supervisors 11/17/98				
² If not, why not?				

**FISCAL IMPACT/FINANCING
OVERVIEW OF LEASE CHANGES**

19030 Pioneer Boulevard, Cerritos	Existing Lease	Proposed Extension/Amendment	Change
Area (square feet)	10,575	10,575	None
Term	30 years (7/01/1984-6/30/2014)	15 years upon approval (2014 – 2029)	- 15 years
Annual Rent	\$1 (gratis)	\$1 (gratis)	None
Base TI Allowance	None	None	None
Additional TI Allowance	None	None	None
Annual TI Reimbursement	None	None	None
Maximum Annual Rent	\$1	\$1	None
Cancellation	Upon cessation of Fire services.	Upon cessation of Fire services.	None
Parking (included)	13 spaces	13 spaces	None
Option to Renew	One-five year option	Three-five year options. (15 years collectively).	+ Two five-year options
Rental Adjustment	None	None	None

**FIRE DEPARTMENT
19030 PIONEER BOULEVARD, CERRITOS
SPACE SEARCH-WITHIN THE CITIES OF CERRITOS AND ARTESIA**

LACO	Facility Name	Address	Ownership	Gross SQFT	Net SQFT	Vacant SQFT
A066	PW-INC CITY OFFICE (ARTESIA)	18747 S CLARKDALE AVE, ARTESIA 90701	GRATIS USE	0	0	NONE
A080	PUBLIC LIBRARY-ARTESIA LIBRARY	18722 S CLARKDALE AVE, ARTESIA 90701	LEASED	5,150	4,752	NONE
A402	PW-INC CITY OFFICE (CERRITOS)	18125 S BLOOMFIELD AVE, CERRITOS 90703	GRATIS USE	0	0	NONE
A126	DA-CRIMINAL JUSTICE INFORMATION SYSTEM/ ISAB	12750 CENTER COURT DR, CERRITOS 90703	LEASED	20,187	19,044	NONE

**FIRST AMENDMENT TO LEASE AND AGREEMENT FOR FIRE STATION
CITY OF CERRITOS**

THIS FIRST AMENDMENT TO LEASE AND AGREEMENT FOR FIRE STATION (this "First Amendment") dated effective as of _____, 2014, is entered into by and between the **CITY OF CERRITOS**, a municipal corporation ("Lessor"), and the **CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY**, a body politic and corporate ("Lessee"), with reference to the following:

RECITALS

WHEREAS, Lessor and Lessee entered into that certain LEASE AND AGREEMENT FOR FIRE STATION dated July 26, 1983 (the "Lease"), for the lease of certain premises on Pioneer Boulevard in Cerritos, California, and more particularly described in Exhibit "A" to the Lease (the "Premises"); and

WHEREAS, Lessor and Lessee desire by this First Amendment to amend the Lease in order to, among other things, extend the term of the Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. **Recitals**. The Recitals set forth above are incorporated herein as though set forth in full herein.
2. **Definitions**. Unless the context clearly indicates otherwise, all initially capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Lease. Unless the context clearly indicates otherwise, all references to the "Lease" in the Lease shall hereafter be deemed to refer to the Lease as amended hereby.
3. **Extended Lease Term/Option Terms**. Paragraph 2 of the Lease is modified to provide as follows: Lessor and Lessee acknowledge that the term of the Lease (the "Lease Term") is scheduled to expire on July 1, 2014, unless sooner terminated pursuant to the Lease. Notwithstanding anything to the contrary contained in the Lease, the Lease Term is hereby extended for a period of fifteen (15) years (the "Extended Lease Term") commencing upon the execution of this Amendment by all parties hereto (the "Lease Renewal Commencement Date") and ending on the last day of the month containing the fifteenth (15th) anniversary of the Lease Renewal Commencement Date, (the "Lease Renewal Termination Date"), unless sooner terminated in accordance with the provisions of the Lease. Upon determination thereof, the Lease Renewal Commencement Date shall be inserted in the preamble to this Amendment set forth above. Following execution of this First Amendment, any reference in the Lease to the "term of this lease" or to the Lease "Term" or words of similar import shall mean the original Lease Term together with the Extended Lease Term and any properly exercised Option Terms, unless the context clearly indicates otherwise and any reference to the Expiration Date or words of similar import shall mean the Lease Renewal Termination Date as it may be extended pursuant to any properly exercised Option Terms, unless the context clearly indicates otherwise. Notwithstanding anything to the contrary contained in this Lease, if Lessee does not exercise the First Option Term, then Lessee's right to exercise the Second Option Term shall terminate and be of no force or effect.

a. **Option Terms.**

i. **Option Rights.** Provided that, (a) Lessee is not then in default under this Lease on the date that extension of the Term would otherwise occur, and (b) neither party (either Lessor or Lessee) has given written notice to the other at least sixty (60) days prior to the expiration of the current Term of its election to terminate the Lease as of the expiration of that current Term, then Lessee, as a right personal to the Consolidated Fire Protection District of Los Angeles County, a body politic and corporate, the Lessee named in this First Amendment (the "Named Lessee") only, and not to any assignee, sublessee or other transferee of or successor to any portion of Lessee's interest under the Lease or to the Premises, shall have three (3) options (each, an "Option" and, collectively, the "Options") to extend the Lease Term for all, and not less than all, of the Premises, for an additional period of five (5) years each (each, an "Option Term" and, collectively, the "Option Terms"). If exercised in accordance with the terms herein, the first Option Term shall commence on the day immediately succeeding the Lease Renewal Termination Date and shall, unless sooner terminated in accordance with the terms of the Lease, end on the day immediately preceding the fifth (5th) anniversary of the first day of such first Option Term, and the second Option Term shall commence on the day immediately succeeding the expiration date of the first Option Term and shall, unless sooner terminated in accordance with the terms of the Lease, end on the day immediately preceding the fifth (5th) anniversary of the first day of such second Option Term, , and the third Option Term shall commence on the day immediately succeeding the expiration date of the second Option Term and shall, unless sooner terminated in accordance with the terms of the Lease, end on the day immediately preceding the fifth (5th) anniversary of the first day of such third Option Term,. Notwithstanding anything to the contrary contained in this Lease, if Lessee does not exercise the First Option Term, then Lessee's right to exercise the Second Option Term shall terminate and be of no force or effect, and if Lessee does not exercise the Second Option Term, then Lessee's right to exercise the Third Option Term shall terminate and be of no force or effect.

ii. **Terms of Option.** The Option Terms shall be on all the terms and conditions of the Lease. So long as the conditions set forth in Section 3a(i) above are satisfied and neither party has delivered the sixty (60) day notice of its election to terminate pursuant to Section 3a(i)(b) above, each Option shall be deemed automatically exercised and the lease shall be automatically extended for that additional Option Term. If Lessee assigns, subleases or otherwise transfers any portion of the Premises or any interest of Lessee under this Lease at any time prior to the commencement of any Option Term (whether with or without Lessor's consent), the remaining Option(s) shall lapse and the then-applicable Term shall expire as if the remaining Option(s) were not exercised,.

4. **Termination Right.** Notwithstanding anything in the Lease or this First Amendment to the contrary, Lessor shall have the right to terminate this Lease upon written notice to the Lessee in the event that (i) the Lessee is disbanded or dissolved for any reason, or (ii) the Lessee is otherwise prohibited from or is unable to use the Premises for its prescribed use as a fire station providing continuous service to the residents of the City, and, upon the exercise of such termination right, the Lessee shall immediately turn over and surrender the Premises to the Lessor in the condition required by the Lease upon a termination thereof.

5. **Base Rent.** Paragraph 3 of the Lease is modified by adding the following: Notwithstanding anything to the contrary contained in the Lease, and in addition to all other amounts

due and payable by Lessee in connection with the Lease to be paid in the manner specified therein, Lessor and Lessee hereby agree that commencing on the Lease Renewal Commencement Date, and continuing until the Lease Renewal Termination Date, Lessee shall pay rent for the Premises (“Base Rent”) in the amount of One Dollar (\$1.00) per year. The right to the Base Rent rate set forth above shall be personal to Named Lessee only, and shall not be exercisable by or accrue to the benefit of any other Lessee, assignee, subtenant or other transferee or successor.

6. **Condition of Premises.** Lessee acknowledges that (a) it has been occupying and continues to occupy the Premises, (b) it is familiar with the condition of the Premises, and (c) it agrees to accept the Premises in its “AS-IS” condition with all faults and without representation, warranty or improvements by Lessor of any kind whatsoever.

7. **Modification of the Premises.** Notwithstanding anything to the contrary contained in the Lease, except for repairs and maintenance permitted pursuant to Section 8 below, Lessee may not make or suffer to be made any improvements, alterations, additions, or changes to the Premises (including any addition to or alteration of any roof mounted equipment or antenna, including any proposed emergency telecommunication antenna), the landscaping, trees or other site improvements located on the Premises, or any telecommunications, mechanical, plumbing, or HVAC facilities or systems pertaining to the Premises (collectively, the “**Alterations**”), without first obtaining Lessor’s prior written consent to such Alterations. Lessor may impose, as a condition of its consent to any and all Alterations, such requirements as Lessor in its reasonable discretion may deem necessary or desirable. Lessor’s failure to respond within thirty (30) days of receipt of any written request to make any Alterations to the Premises shall be deemed to constitute an approval of such request for purposes of Lessor approval under this Lease; provided, that, any approval of deemed approval under this Lease shall not constitute an approval of such Alterations for purposes of Lessor’s authority in its municipal capacity, and any Alterations shall be performed in compliance with all applicable laws and only after all required City and other governmental permits and approvals have been obtained. Notwithstanding the foregoing right of Lessor approval in its proprietary capacity under this Lease, Lessor’s consent under this Lease shall not be required for any Alteration that satisfies all of the following criteria (any such Alterations shall also be known herein as “Permitted Alterations”): (i) such Alteration affects only (and is performed entirely within) the interior of the Premises, and (ii) will not adversely affect the operating systems, structural elements or functionality of the Premises.

8. **Lessee’s Right to Repair:** Paragraph 12 of the Lease is modified by adding the following:

If the Lessee provides written notice (except in the event of an emergency such as damage or destruction to any portion of the Building structure or the Building systems, which creates a risk of injury to persons or further damage to property, in which case, verbal notice shall be sufficient), to Lessor of an event or circumstance which requires the action of the Lessee with respect to repair and/or maintenance of the Premises, and Lessor fails to provide a response requiring further review or approval of such repair or maintenance, within five (5) days following the receipt of such notice, then Lessee may proceed to perform the required repair or maintenance. All repair and maintenance performed pursuant to this Section shall be performed using materials comparable to the original improvements being repaired and to restore, so far as possible, the improvements on the Premises to their original condition. Any such repair and maintenance shall be performed in compliance with all

applicable laws and following receipt of all required City and other applicable governmental permits and approvals.

9. **Indemnification**. Paragraph 13 of the Lease is hereby deleted in its entirety, and replaced with the following: Without limitation of any protections or indemnifications already set forth in the Lease, Lessee shall and does hereby further agree to indemnify, defend and hold harmless Lessor, its officials, employees, representatives, agents, affiliates and their successors and assigns (collectively, the “Lessor Parties”), from and against any and all claims, proceedings, costs, expenses, liabilities, liens, charges and damages of whatsoever nature (including, without limitation, reasonable attorneys’ fees and court costs) which may arise, accrue or result from, out of or in connection with the Premises or the use thereof, including any damages to or destruction of the improvements on the Premises, any matters of whatsoever nature affecting the Premises related to the use or non-use thereof by Lessee or its officials, employees, representatives, agents, affiliates, invitees, and permittees and their successors and assigns (collectively, the “Lessee Parties”), or the violation by the Lessee or the Lessee Parties of the terms of this Lease or the rights of the Lessor hereunder. Notwithstanding the foregoing, Lessee shall not be responsible for any loss, damage, liability or expense resulting solely from the active negligence or willful misconduct of Lessor, or its officers, contractors, licensees, agents, employees or invitees. This indemnity shall survive the termination of this Lease with respect to any obligations of the Lessee that have accrued as of that date.

10. **Notices**. Paragraph 15 of the Lease is hereby deleted in its entirety, and replaced with the following:

Notices desired or required to be given by this Lease or by any law now or hereinafter in effect shall be given by enclosing the same in a sealed envelope with postage prepaid, certified or registered mail, return receipt requested, with the United States Postal Service. Any such notice and the envelope containing the same shall be addressed to the Lessor as follows:

Lessor: The City of Cerritos
 City Hall
 Attention: Director of Community Development
 P.O. Box 3130
 Cerritos, CA 90703-3130

The notices and envelopes containing the same shall be addressed to the Lessee as follows:

Board of Supervisors
Kenneth Hahn Hall of Administration, Room 383
500 West Temple Street
Los Angeles, California 90012
With a copy to:

Chief Executive Office
Real Estate Division
Attention: Director of Real Estate
222 South Hill Street, 3rd Floor
Los Angeles, California 90012

11. **Estoppel.** Lessee hereby represents and acknowledges that, as of the date hereof, (a) Lessor is not in default in any respect under the Lease, (b) Lessee does not have any defenses to its obligations under the Lease, and (c) there are no offsets against Base Rent or any other amount payable by Lessee under the Lease. Lessee acknowledges and agrees that: (i) the representations herein set forth constitute a material consideration to Lessor in entering into this First Amendment; (ii) such representations are being made by Lessee for purposes of inducing Lessor to enter into this First Amendment; and (iii) Lessor is relying on such representations in entering into this First Amendment.

12. **Brokers.** Lessee hereby represents and warrants to Lessor that Lessee has not entered into any agreement or taken any action which might result in any obligation on the part of Lessor to pay any brokerage commission, finder's fee or other compensation with respect to this First Amendment, and Lessee agrees to indemnify, defend and hold harmless the Lessor Parties from and against any and all claims, proceedings, costs, expenses, liabilities, liens, charges and damages of whatsoever nature (including, without limitation, reasonable attorneys' fees and court costs) which may arise, accrue or result from, out of or in connection with any breach or inaccuracy of such representation or warranty.

13. **Ratification.** Except as otherwise specifically herein amended, the Lease is and shall remain in full force and effect according to the terms thereof. In the event of any conflict between the Lease and this First Amendment, this First Amendment shall control.

14. **LA-RICS Authority Access and License Agreement.** Lessee acknowledges Lessor's intent to enter into, and hereby consents to be subject to, an access and license agreement ("Agreement") with the Los Angeles Regional Interoperable Communications Systems Authority ("LA-RICS Authority") to permit LA-RICS Authority to use a portion of the Property, together with all necessary space for access and utilities, to install, operate and maintain an unmanned long term evolution broadband communication facility. Lessor shall provide Lessee with a copy of the approved and executed Agreement and a copy of the approved plans and specifications for the facility. The Agreement shall provide the terms and conditions for and obligations of LA-RICS Authority use of the Property.

15. [Signature page follows]

IN WITNESS WHEREOF, this First Amendment has been executed by the parties as of the date first referenced above.

"Lessor":

CITY OF CERRITOS

By: _____

Name: _____

Its: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

"Lessee":

**CONSOLIDATED FIRE PROTECTION
DISTRICT OF LOS ANGELES COUNTY**

By: _____

Name: Chairman, Board of Supervisors
Los Angeles County

Title: Chairman, Board of Supervisors

ATTEST:

Sachi A. Hamai
Executive Officer-Clerk
of the Board of Supervisors

By: _____

Deputy

APPROVED AS TO FORM:
MARK J. SALADINO
County Counsel

By:  _____

Deputy County Counsel